

NATIONAL RAILROAD PASSENGER CORPORATION

BOARD OF DIRECTORS

MINUTES OF MEETING

JANUARY 24, 2018

The Board of Directors of the National Railroad Passenger Corporation (Amtrak) met in the Board Room of the Corporation's headquarters located at 1 Massachusetts Ave., N.W., in Washington, D.C. on Wednesday, January 24, 2018.

Board Members participating in the meeting were Anthony Coscia (Board Chairman), Richard Anderson (President & CEO, non-voting) Christopher Beall, Yvonne Burke, Thomas Carper, Albert DiClemente, and Jeffrey Moreland (Board Vice Chairman).

Paul Nissenbaum (FRA Associate Administrator) participated in the meeting.

Eleanor D. Acheson (Executive Vice President, Chief Legal Officer, General Counsel & Corporate Secretary), William N. Feidt (Executive Vice President, Chief Financial Officer), Stephen Gardner (Executive Vice President, Chief Commercial Officer), J. Timothy Griffin (Executive Vice President, Chief Marketing & Business Development Officer), Ken Hylander (Executive Vice President, Chief Safety Officer), Scot Naparstek (Executive Vice President, Chief Operating Officer), D.J. Stadtler (Executive Vice President, Chief Administration Officer) participated in the meeting.

Phil A. Hancock (Senior Assistant Corporate Secretary), Theresa Impastato (Deputy Chief Safety Officer), Swati Sharma (Vice President, Treasurer), and Justin Meko (Vice President, Safety Compliance & Training) attended the meeting.

Chairman Coscia chaired the meeting and called it to order at 2:45 p.m. The minutes were recorded by Ms. Acheson and Mr. Hancock.

APPROVAL OF MEETING MINUTES

DECEMBER 7 & 8, 2017

Following discussion, upon motion made by Mr. Carper and seconded by Mr. Moreland, the Board voted to approve the minutes of its December 7 and 8, 2017 meetings. (7-0)

DECEMBER 21, 2017

Following discussion, upon motion made by Mr. Carper and seconded by Mr. Moreland, the Board voted to approve the minutes of its December 21, 2017 special meeting. (7-0)

TRAIN 501

NTSB PRELIMINARY REPORT

Ms. Impastato discussed the National Transportation Safety Board's preliminary report on the Train 501 derailment.

EMCS RESPONSE

Ms. Reinertson provided the Board with an overview of Amtrak's emergency management response following the Train 501 derailment, discussing the roles and activities of the Amtrak team.

INSURANCE MATTERS

Ms. Sharma outlined the Corporation's Property insurance, Excess Liability insurance, and Directors & Officers Liability insurance details as they related to the Train 501 derailment.

CLAIMS AND LEGAL ISSUES

Ms. Acheson provided an overview report on injuries and fatalities from the Train 501 derailment. She discussed potential liability exposure, the contractual and legal obligations among the entities involved with respect to the different groups of individuals impacted, legal strategy and the ongoing work of the Amtrak Claims Department.

The Board reviewed the overall Train 501 briefing and Management responded to questions.

At 3:50 p.m., Ms. Impastato, Mr. Meko, Ms. Reinertson, and Ms. Sharma left the meeting.

POSITIVE TRAIN CONTROL IMPLEMENTATION

Mr. Naparstek updated the Board on the status of Amtrak's Positive Train Control (PTC) implementation, including that the deadline for implementing PTC is December 31, 2018 and that PTC requires onboard locomotive and trackside systems and some PTC systems requires back office server support. He said that of the three different PTC systems-- (1) Advanced Civil Speed Enforcement System (ACSES), (2) Interoperable Electronic Train Management System (IETMS), and (3) Incremental Train Control System (ITCS)--IETMS and ITCS require back office servers (BOS), whereas ACSES does not. A discussion followed regarding the specifics of the implementation plan and Mr. Naparstek, Mr. Gardner, and Mr. Anderson responded to questions. Mr. Anderson stated that Amtrak's plan is to beat the implementation deadline and that the Board would receive regular PTC status reports going forward.

At 4:30 p.m., the Board went into an Executive Session with Mr. Anderson.

EXECUTIVE SESSION

AUDIT & FINANCE COMMITTEE REPORT

Mr. Moreland provided the Audit & Finance Committee report. He noted that Amtrak's last year's audit would be completed on time and with all material weaknesses remediated. He also said that the Committee reviewed the financial statements, the financial underpinnings of the Five-Year FAST Act filings and reviewed the Enterprise Risk Management update in detail.

Mr. Moreland presented the Board with the following action items. He said that the Committee reviewed the specifics of these items and recommended their adoption by the full Board of Directors. After discussion, the Board voted to adopt the following resolutions:

RESOLUTIONS APPROVING REVISED INVESTMENT POLICY STATEMENT

WHEREAS, The Corporation holds cash balances pending disbursement for corporate purposes which may be invested in short and intermediate-term securities pursuant to previously approved investment guidelines contained in the investment policy statement adopted in December 2016; and

WHEREAS, Management has proposed an update to the investment policy statement, with the objectives of preserving capital, maintaining liquidity, and optimizing returns with mitigated risk; and

WHEREAS, The proposed new investment policy revises the existing policy with respect to the following key requirements: addition of Government Sponsored Enterprises and Supra National securities as Permitted Investments; bank deposits held with Amtrak lenders exempted from the allocation restriction but capped at \$100 million; securities with pre-payment characteristics use weighted average life as maturity; and final maturities are extended from one year to two years; and

WHEREAS, The Board has determined that the adoption of the revised investment policy is in the best interest of the Corporation; therefore, be it

RESOLVED, That the revised investment policy described above is hereby approved and adopted.

(6-0-1) (Mr. Nissenbaum abstained.)

REPROGRAMMING OF FY18 CAPITAL BUDGET

WHEREAS, On September 29, 2017, the Board of Directors approved the FY18 Capital Budget; and

WHEREAS, Management is required to present for Board approval any capital program reprogramming exceeding \$4 million per FY and any project reprogramming causing an overall program adjustment to exceed \$4 million per FY; and

WHEREAS, Management has identified program changes that require such Board approval; therefore, be it

RESOLVED, The Board of Directors authorizes the reprogramming of \$11.9 million in overall additional Federal Assistance funds to support FY18 project needs and \$13.9 million in third party increases based on updated partner funding and

priorities. This will result in no change to Amtrak's Authorized Federal Assistance Capital Budget.

(7-0)

**AUTHORIZING THE PURCHASE OF THE CNOC PROPERTY
IN WILMINGTON, DELEWARE**

WHEREAS, The National Railroad Passenger Corporation (the "Corporation") has been leasing the property located at 15 South Poplar Street, Wilmington, Delaware for 20 years to house the Consolidated National Operation Center ("CNOC"); and

WHEREAS, The Corporation currently pays rent in the amount \$592,800 per year and the lease grants the Corporation the option to purchase the property at a price based on a formula set forth in the lease; and

WHEREAS, The Corporation estimates that the purchase price, due diligence and closing costs will not exceed \$1,800,000, allowing the Corporation to realize a return on investment in approximately 3 years; and

WHEREAS, The appraised value of the property was over \$8 million as of August 29, 2016; and

WHEREAS, The Real Estate department has requested a reprogramming to increase it's 2018 capital budget by \$1,800,000 to enable the Corporation to exercise the option to purchase the CNOC property; and

WHEREAS, The Board has determined that it is advisable and in the best interests of the Corporation to reprogram the Real Estate department's 2018 capital budget by \$1,800,000 and to purchase the CNOC property, perform due diligence and pay closing costs in a total amount not to exceed \$1,800,000; therefore, be it

RESOLVED, That the Board authorizes the requested reprogramming to increase the Real Estate department's capital budget by \$1,800,000; and

FURTHER RESOLVED, That the Board authorizes any one or more of the President and CEO, any other Officer of the Corporation, the Vice President, Real Estate Stations and Facilities and the Senior Director, Real Estate Development to take any and all actions consistent with this resolution and to make, execute and deliver in the name of and on behalf of the Corporation all instruments, agreements, certifications and all other documents as may be required or contemplated by the foregoing, containing such terms as the above referenced

Officers and authorized individuals deem necessary and advisable in order to effectuate the foregoing transaction; and

FURTHER RESOLVED, That any and all lawful actions taken on the Corporation's behalf within the scope of the foregoing be and are hereby ratified, confirmed and approved.

(6-0-1) (Mr. Nissenbaum abstained.)

**AUTHORIZING THE PURCHASE OF THE
CALL CENTER IN PHILADELPHIA, PENNSYLVANIA**

WHEREAS, The National Railroad Passenger Corporation (the "Corporation") has been leasing the property located at 2198 Hornig Road, Philadelphia, Pennsylvania since 1998 to house the 59,600 square foot call center facility in Philadelphia ("PHL Call Center"); and

WHEREAS, The lease for the PHL Call Center expires on 4/30/2019; and

WHEREAS, The Corporation currently pays rent in the amount \$1,000,000 per year and the lease grants the Corporation the option to purchase the property at 70 percent of market value based on a formula and certain conditions set forth in the lease; and

WHEREAS, The Corporation estimates the market value of the PHL Call Center to be \$7,500,000; and

WHEREAS, The Corporation estimates that the purchase price, due diligence, closing costs and a \$1,125,000 escrow, will not exceed \$6,500,000, allowing the Corporation to realize a return on investment in approximately 6+ years; and

WHEREAS, The \$1,125,000 escrow will be refunded to the Corporation if the Corporation maintains certain stipulated full time employee employment levels for five years; and

WHEREAS, The Real Estate department has requested a reprogramming to increase its FY 2018 capital budget by \$6,500,000 to enable the Corporation to exercise the option to purchase the PHL Call Center property; and

WHEREAS, The Board has determined that it is advisable and in the best interests of the Corporation to reprogram the Real Estate department's FY 2018 capital budget by \$6,500,000 and

to purchase the PHL Call Center property, perform due diligence, and pay closing costs and the potentially refundable escrow of \$1,125,000, in a total amount not to exceed \$6,500,000; therefore, be it

RESOLVED, That the Board authorizes the requested reprogramming to increase the Real Estate department's FY 2018 capital budget by \$6,500,000; and

FURTHER RESOLVED, That the Board authorizes any one or more of the President and CEO, any other Officer of the Corporation, the Vice President, Real Estate Stations and Facilities and the Senior Director, Real Estate Development to take any and all actions consistent with this resolution and to make, execute and deliver in the name of and on behalf of the Corporation all instruments, agreements, certifications and all other documents as may be required or contemplated by the foregoing, containing such terms as the above referenced Officers and authorized individuals deem necessary and advisable in order to effectuate the foregoing transaction; and

FURTHER RESOLVED, That any and all lawful actions taken on the Corporation's behalf within the scope of the foregoing be and are hereby ratified, confirmed and approved.

(6-0-1) (Mr. Nissenbaum abstained.)

PERSONNEL & COMPENSATION COMMITTEE REPORT

Mr. DiClemente provided the Personnel & Compensation Committee report. He said that the Committee reviewed Amtrak's Drug & Alcohol and 2017 Merit & Calibration programs.

Mr. DiClemente presented the Board with the required data necessary for the annual process to set the Inspector General's FY18 salary and a recommendation for the salary level to be adopted by the full Board of Directors. After discussion, the Board voted to adopt the following resolutions:

INSPECTOR GENERAL'S FY18 SALARY

WHEREAS, National Railroad Passenger Corporation (the "Corporation") is a federal entity for purposes of the Inspector General Act of 1978, as amended and including the Inspector General Reform Act of 2008 (the "Act"); and

WHEREAS, The Act provides for the annual determination of the salary of an Inspector General of a federal entity and how to calculate the baseline for any such salary; and

WHEREAS, The Board of Directors of the Corporation, in its capacity as "head of entity" under the Act, has applied the methodology set forth in the Act to determine the baseline for the salary of the Amtrak Inspector General for FY18 and has also determined to exercise its discretion under the Act to set said salary at \$371,679.71; therefore, be it

RESOLVED, That the Amtrak Inspector General shall be paid a salary of \$371,679.71 for FY18, or until an effective date of any change to that salary, to be paid beginning with the February 1, 2018; and

FURTHER RESOLVED, That Management shall take all necessary actions to effect the above resolution.

(7-0)

SAFETY & SECURITY COMMITTEE REPORT

Mr. Beall provided the Safety & Security Committee report. He said that the Committee reviewed the Safety Management System (SMS) action plan, the death of an employee in the Chicago train yard, the injury of an electric traction employee in New York, Amtrak Police Department's response to a bomb in the NYC Port Authority bus terminal, and received an update on cyber security. Mr. Beall reported that the Committee will begin to receive more systematic data reports, rather than anecdotal reports, at future meetings.

At 5:30 p.m., Tom Howard (Inspector General) and Kevin Winters (Deputy Inspector General) joined the meeting.

INSPECTOR GENERAL'S REPORT

Mr. Howard and Mr. Winters reported to the Board on confidential Inspector General matters.

At 5:50 p.m., Mr. Howard and Mr. Winters left the meeting and the Board continued to meet with Mr. Anderson in Executive Session.

GOVERNMENT RELATIONS, LEGAL & GOVERNANCE AFFAIRS COMMITTEE REPORT

Mr. Coscia provided the Government Relations, Legal & Governance Affairs Committee report. He said that the Committee reviewed and discussed the Trump Administration's Infrastructure initiative, the FAST Act Five-Year Service Line Plans, the FY19 Legislative & Grant Request, and a revised Board Reservations & Delegations matrix. Mr. Coscia noted that there is time on the agenda allotted for additional review of the Service Line Plans, Legislative & Grant Request, and the Reservations & Delegations matrix by the full Board.

Mr. Coscia presented the Board with a request to execute indemnification agreements with four Amtrak officers and three employees. He said that the Committee reviewed the specifics of the request and recommended adoption by the full Board of Directors. After discussion, the Board voted to adopt the following resolutions:

RESOLUTIONS APPROVING INDEMNIFICATION AGREEMENTS

WHEREAS, Amtrak's Bylaw on indemnification permits the Company to enter into written indemnification agreements with its directors, officers and employees subject to Board of Directors (Board) approval; and

WHEREAS, All current Amtrak Directors and Officers have such agreements except Executive Vice President & Chief Financial Officer William Feidt, Executive Vice President & Chief Marketing Officer Tim Griffin, Vice President & Controller Carol Hanna and Vice President & Treasurer Swati Sharma, and Management seeks Board approval for the Company to enter into the identical form of indemnification agreements with each of them; and

WHEREAS, Three non-officer Amtrak employees have been asked and have agreed to serve as fiduciaries with respect to the Company's retirement plans, and Management seeks Board approval to provide each of them an indemnification agreement

limited in scope to their service and activities as fiduciaries of the retirement plans; therefore, be it

RESOLVED, That the Board of Directors ratifies an indemnification agreement between Executive Vice President & Chief Financial Officer William Feidt and the Company executed on behalf of both after the October 2017 Board meeting; and

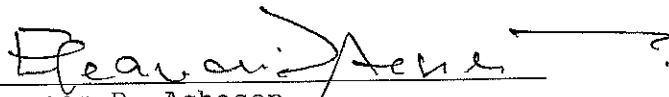
FURTHER RESOLVED, That the Board of Directors authorizes the Company to execute indemnification agreements with three other officers of Amtrak - Executive Vice President & Chief Marketing Officer Tim Griffin, Vice President & Controller Carol Hanna and Vice President & Treasurer Swati Sharma; and


FURTHER RESOLVED, That the Board of Directors approves the Company executing indemnification agreements with Amtrak employees Vice President Human Resources William Herrmann, Director Benefits Jan Kelly and Senior Director Procurement & Logistics Scott Wilkinson limited to the scope of their service and activities as fiduciaries of the Company's retirement plans; and

FURTHER RESOLVED, That the Board of Directors authorizes the President & CEO and the General Counsel each to take all actions necessary and appropriate to effect the foregoing resolutions.

ADJOURNMENT

There being no further business before the Board, the meeting adjourned at 6:15 p.m.


Eleanor D. Acheson
Corporate Secretary


Phil A. Hancock
Senior Assistant Corporate Secretary